

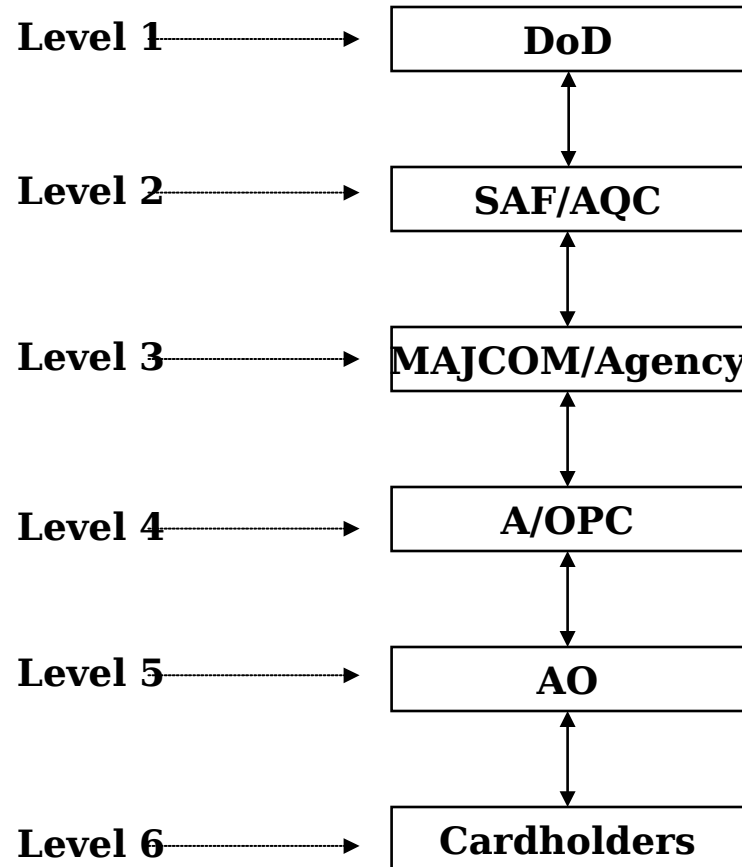


**AFLMA USAF GPC Reference Guide - May 2000**

# Background

- Early 1980s: Use of purchase cards introduced
- 1989: GSA awarded first purchase card contract
- 1993: Vice President's National Performance Review
- 1994: Executive Order 12931
- 1995: FAR changes; USAF "Internal Procedures" re
- 1997: General Fogleman's memorandum
- 2000: AFI 64-117 published

# USAF Program Structure



# **Key Sources of Program Guidance**

- Federal Acquisition Regulation (FAR)
- Defense Federal Acquisition Regulation Supplement
- DoD Purchase Card Program Management Office
- SAF/AQC
- AFI 64-117
- AFI 65-601, Volume 1

# Authorized Use

- As a general rule, if appropriated funds were not legally available for a procurement before the implementation of the purchase card, they are not legally available now.
- The purchase card may be used to purchase authorized supplies, equipment, and non-personal services up to the micropurchase threshold (currently \$2,500).

# **Authorized Use over \$2,500**

- Purchases above \$2,500 (up to a maximum of \$25,000), shall only be obtained from pre-priced contracts and agreements. These include:

- Federal Supply Schedules
- Blanket Purchase Agreements
- Indefinite Delivery/Indefinite Quantity Contracts
- GSA Schedules

# **Authorized Use over \$2,500**

- Purchases over \$2,500 must be approved by the AO and coordinated with with the A/OPC so purchase limits can be adjusted in C.A.R.E.
- DD Form 1057 reporting must be completed for transactions over \$2,500 executed by cardholders

# **Purchases Requiring Authorization**

- Purchases requiring authorization prior to execution are listed in chapter 2 of AFI 64-117
- Except where specifically noted in chapter 2 of AFI 64-117, documented, verbal approval, including the date and identity of the authorizing official, is sufficient



# Purchases Requiring Coordination/R

- Non-expendable (budget code 9) equipment assets over the micropurchase threshold purchased on existing contracts with the GPC must have accountability records established through Base Supply.
- Repair services for general equipment
- Books, periodicals, and manuals
- Professional services
- Payment for the Domestic Express Next Business Day Small Package Delivery Service Contract

# Unauthorized Use

- Cash advances are prohibited
- Travel related purchases are prohibited
- Rentals or leases of land or buildings exceeding 30 days are prohibited
- Purchases of aviation, diesel, heating fuel, gasoline, or oil for aircraft and motorized vehicles are prohibited
- The repair of leased vehicles is prohibited

# Unauthorized Use

- The purchase of Major Telecommunication Systems including Federal Telecommunications/Telephone System (FTS) 2000 or Defense Switched Network (DSN) is prohibited
- Purchases of hazardous/dangerous items such as explosives, munitions, toxins and firearms are prohibited
- Purchases of personal services are prohibited
- Purchases of gifts (e.g. retirements, farewells) are prohibited

# Unauthorized Use

- Purchases of Controlled Cryptographic Items (CCI) are prohibited
- The purchase of budget code 8 XD/XF items is prohibited
- The purchase of utility services is prohibited (with exceptions)

# Approving Official

- The AO should normally be in the same chain of command as the cardholder
- A cardholder cannot be his/her own AO
- No one can be an AO for his/her immediate supervisor

# **Approving Official Responsibilities**

- Establishes dollar limits
- Reconciles each cardholder's electronic statement of accounts
- Verifies that all transactions are appropriate
- Maintains all original supporting documentation (receipts, approvals, etc.)
- Reviews 100% of cardholder files at least every 12 months
- Cancels GPC accounts

# **Approving Official Responsibilities**

- Notifies the A/OPC, on a quarterly basis, of cardholders who have retired, separated, been reassigned, or who no longer have cardholder responsibilities
- Notifies the A/OPC of lost or stolen cards

# **Cardholder**

- GPC bears the cardholder's name and shall only be used by the named cardholder to pay for authorized US Government purchases
- All acquisition, supply, and finance regulations apply to GPC purchases



# **Cardholder Responsibilities**

- Document purchases in C.A.R.E.
- Ensure funds are available
- Ensure mandatory sources are used
- Ensure the vendor is responsible for delivery
- Rotate sources
- Ensure price reasonableness
- Comply with the Affirmative Procurement Program

# **Cardholder Responsibilities**

- Ensure no sales tax is paid; GPC purchases are not subject to state and local tax
- Take advantage of manufacturer/retailer rebates
- Reconcile account
- Retain copies of original documentation supporting purchases
- Notify AO when planning to go on leave or TDY for an extended period

# Cardholder Responsibilities

- Surrender GPC to AO at least 30 days prior to reassignment, separation, retirement, etc.
- Safeguard the GPC and account number at all times
- Do not split purchases in order to avoid exceeding the \$2,500 threshold
  - Cardholders are prohibited from making repeat buys of the same item to avoid the \$2,500 limit for open-market transactions and the \$25,000 limit when ordering against pre-priced contracts

# Required Sources and Order of Precedence

- Purchases made with the GPC must be done so in accordance with applicable laws and regulations
  - This impacts how you, as a cardholder, make your purchases
- In addition to just using required sources, they must be examined for availability to fulfill your GPC purchase requirements ***in a specific order*** (i.e. order of precedence)

# **Required Sources and Order of Precedence**

- Required sources for supplies (in order):
  1. Agency inventories
  2. Excess from other agencies
  3. Products available through NISH and NIB
  4. Wholesale supply sources
  5. Federal Supply Schedules
  6. Commercial sources
- Required sources for services (in order):
  1. Services provided by NISH and NIB
  2. Federal Supply Schedules
  3. Commercial sources

# **Contracting Support**

- Contact the local contracting organization for information on:
  - Local BPAs, ID/IQ contracts, etc. available for cardholders to use
  - Guidance on ordering off of GSA schedules  
Federal Supply Schedules
  - Information on locating and rotating sources and obtaining price reasonableness
  - Regulatory guidance on executing GPC transactions (FAR, DFARS, etc.)

# Documentation Requirements

- Documents generated by the A/OPC supporting cardholders and AOs (training records, surveillance records, delegation of authority, etc.) are to be retained for one year after final payment
- AFMAN 37-139, table 64-4 lists the rules for GPC document retention

# Affirmative Procurement

- Compliance with Affirmative Procurement Executive Order 13101 is required at all dollar levels
- Agencies are required to purchase recovered material for EPA-designated items
- Online resources:
  - EPA's comprehensive procurement guidelines
  - Air Force Center for Environmental Excellence



# Convenience Checks

- Convenience checks provide an alternative ***only*** when the use of the GPC is not feasible
  - Before a check is issued, the requiring organization must make every effort to use the GPC
- Convenience checks shall not be issued for more than \$2,500 per check and shall be issued for the exact payment amount
- Convenience checks shall not be issued as an “exchange-for-cash” vehicle to establish cash funds

# Convenience Checks

- The unit is responsible for all administrative costs associated with the use of convenience checks
- Checks are negotiable instruments and must be stored in a locked container
- Lost checks are the responsibility of the check writer
- The check writer is responsible for the capture of TD Form 1099 MISC data for services paid by convenience check
  - This includes rent and medical expenses

# **C.A.R.E.**

- U.S. Bank's Customer Automation and Reporting Environment (C.A.R.E.)
  - Contractor-owned and maintained system for GPC transaction entry and account reconciliation
- Key WWW sites
  - C.A.R.E. web-based training site
    - Contains an online tutorial that teaches new cardholders about the system
    - Successful completion of this tutorial is mandatory for both cardholders and

# C.A.R.E.

- Key WWW sites (continued)
  - C.A.R.E.
    - Allows cardholders to enter transactions and reconcile accounts online
    - Allows AOs to approve transactions and monitor cardholder activities
- Site locations:
  - Web-based training:  
<https://wbt.care.usbank.com>

# Surveillance

- Surveillance activities are conducted by both the A/OPC and AOs
- The purpose of conducting surveillance is to ensure that cardholders and AOs are executing their GPC-related duties in accordance with applicable laws, regulations, and procedures
- A/OPC
  - Inspects each AO every 12 months and 25% of that AO's cardholders; inspects all checking accounts every 12 months
  - Uses C.A.R.E. surveillance tools to look for split purchases, repeat buys from the same

# Surveillance

- AO
  - Inspects all ***new*** cardholder accounts within 3 months of establishment
  - Inspects all cardholder accounts every 12 months
  - Inspects all checking accounts quarterly
  - Reviews each cardholder's electronic statement of accounts and verifies that all transactions were appropriate

# Auxiliary Training

- Purchase of non-medical equipment items, allowance standards, and placing equipment items on organizational account after receipt
  - Provided by Base Supply
- Construction purchase requirements
  - Provided by the Civil Engineering Operations Flight
- Use of recovered materials
  - Provided by the Civil Engineering Environmental Flight

# **Auxiliary Training**

- Funding document maintenance, account certification, and billing procedures
  - Provided by the FSO
- Hazardous materials
  - Provided by the HMMP Team



# Violations of GPC Procedures

- Violations by cardholders (and AOs) shall be documented and action taken to resolve the noncompliance
  - Retraining and/or suspension may result
- Evidence of deliberate use are referred to the cardholder's (and AOs) unit commander by the contracting squadron's commander
- Evidence of fraud or other criminal activity will be referred to the Air Force Office of Special Investigation
- All GPC transactions can be searched and

# Conclusion

- Questions?
- Signatures
- Thank you for attending today's training!